



DEVELOPMENT OF BRASSWARE INDUSTRY OF MORADABAD

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BY

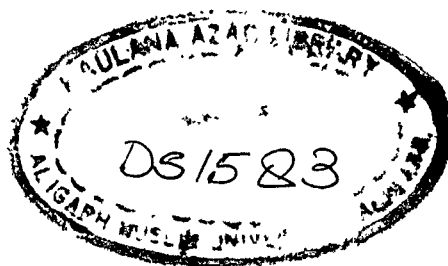
MOHAMMAD SAJID

Under the Supervision of

Dr. S. Shane Haider Naqvi

DEPARTMENT OF COMMERCE
ALIGARH MUSLIM UNIVERSITY
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A C K N O W L E D G E M E N T

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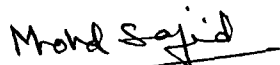
Mr. Khan, Secretary, U.P. State Brassware Cooperation, Moradabad, Mr. Dinesh Gupta, Secretary, Manufacturers/Exporters Association, Moradabad; M/s Kamil Bhai, Ismailji, M/s Interdeco, M/s Progressive Trade Linkers and, M/s Zaroof Exporters, Moradabad.

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C O N T E N T S

			<u>Page No.</u>
1.	INTRODUCTION i - iv
2.	<u>CHAPTER - I</u>		
	<u>ORIGIN AND GROWTH OF BRASSWARE</u>		
	<u>INDUSTRY OF MORADABAD</u>	...	.. 1 - 15
3.	<u>CHAPTER - II</u>		
	<u>ROLE OF VARIOUS AGENCIES FOR</u>		
	<u>THE DEVELOPMENT OF BRASSWARE</u>		
	<u>INDUSTRY</u>	...	.. 16 - 30
4.	<u>CHAPTER - III</u>		
	<u>ROLE OF BRASSWARE INDUSTRY IN</u>		
	<u>THE ECONOMIC DEVELOPMENT</u>	...	.. 31 - 44
5.	<u>CHAPTER - IV</u>		
	<u>DATA ANALYSIS AND INTERPRETATION</u>		.. 45 - 70
6.	<u>CHAPTER - V</u>		
	<u>PROBLEMS OF BRASSWARE INDUSTRY</u>	...	.. 71 - 91
7.	<u>CHAPTER - VI</u>		
	<u>CONCLUSIONS AND SUGGESTIONS</u>	...	.. 92 - 100
	<u>OF THE STUDY</u>		
8.	<u>BIBLIOGRAPHY</u>	...	.. i - iv
9.	<u>APPENDIX</u>	...	.. i - xvi

I N T R O D U C T I O N

I N T R O D U C T I O N

Brassware industry of Moradabad is an old traditional industry having gained international reputation for the elegance and exquisite beauty of its decorative articles. With the dawn of independence, the industry has remarkably progressed and is presently placed second among other Indian handicraft industries. Being a labour intensive industry, it has vast promises to provide employment to thousands of peoples. Recently, the brassware industry of Moradabad has also emerged as a prominent source of foreign exchange earnings for the country to meet development requirement.

The present study entitled, "The Development of Brassware Industry of Moradabad" is an humble attempt to bring into focus the various problems retarding the growth of this industry. Since details regarding various aspects of this industry appeared to be fragmentary, it was found desirable to collect the reliable information in its full perspective by resorting to a sample survey.

The study has been divided into six chapters. While the first chapter deals with the origin and growth of the brassware industry of Moradabad. The second chapter is

devoted to the analysis of the role of various agencies for the development of the industry. Third chapter tries to analyse the role of Brassware Industry in the Economic development. The fourth chapter brings out to data analyses and interpretations of the industry. The fifth chapter attempts to analyse problems faced by brassware industry of Moradabad. Chapter sixth being the concluding chapter;

I believe that this study will prove a catalyst for further researches on different aspects of this industry. I shall deem my efforts as rewarded if, this study could contribute towards formulation of effective policies by the relevant authorities for the future development of the industry.

Methodology

Sampling Technique:

Keeping into consideration different constraints such as, time and resources it is not possible to take a very large sample size or to distribute the questionnaire randomly. Hence, selection is made on the basis of convenience sample. I would make it clear that some of the forms are improperly filled and left incomplete.

Data Collection:

The collection of data was done through personal interviews, with the help of a questionnaire that was designed for this purpose. The collection of data has been made by interviewing the owners of enterprises. In case a owner was not available then a close relative of the owner associated with the enterprise was interviewed. In course of conducting interview, met with the respondents in face to face situation, which resulted in a reliable and more accurate responses. Moreover during the interview and in course of getting the questionnaire filled it was made clear to the respondents that the information provided by them would be kept strictly confidential and that the study was for purely academic purpose. This facilitated them to give true responses.

Objectives of Study:

The objective of the study is a diagnostic one that is, to find the types of industries in the area and to evaluate their role in providing employment to and generating income among the artisans and workers. The study also aims at studying problems of finance, raw material, marketing and technique of production and suggests possibilities of their improvement.

In other words, the present study is an attempt to:-

- i) An evaluation of the operative condition of the industries in the unorganised sector.
- ii) Assessment of the specific problems inhibiting their growth and expansion.
- iii) To suggest an alternative, as far as practicable, for making them economically viable so that they may provide gainful employment to the artisans, workers and entrepreneurs.

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C H A P T E R - I

"ORIGIN AND GROWTH OF BRASSWARE INDUSTRY OF MORADABAD"

ORIGIN AND GROWTH OF BRASSWARE INDUSTRY OF MORADABAD

Introduction:

Brassware industry has its concentration in Moradabad which is one of the districts of western Uttar Pradesh. It is not only famous for its unique features in India but is widely known all over the world since the time immemorial. The brassware industry of Moradabad is not only important from International point of view as a great foreign exchange earner but it is more important from national point of view as of the greatest source of employment and income to the local people. Brassware Industry of Moradabad being an old traditional industry of the country earned international reputation to fulfil the needs and changing tastes of consumers over different periods.

At Moradabad about one third of the total population of the city is dependent on direct employment in these establishments. Brassware Industry is scattered all over the city, almost in every street, lane and bylane. They play a dominant role in the economic life of the town. If these establishments are counted, together with dealers, traders, middlemen and others engaged in the distribution of the products, the proportion of the people depending

upon on these small industrial units is much larger. A typical workshop is located in the same house where the worker and his family reside. In some cases the family owns the house but mostly in rented building.¹

In the brassware industry, the system of organisation is very difficult. It is seldom that a small unit is engaged in all the processes needed to produce the finished products. Usually it enters only at one stage and forms a link in a chain consisting of several small units each performing one or another of the process. As a result of this combination and division of processes, one product turned out by one establishment becomes the material for working in another, and this goes on until the establishments at the end of the chain turn out the finished product. Usually small unit does not own the raw material or the finished product. 90% of them have no manufacturing establishment of their own. The raw material is supplied by the dealers. They also supply one the credit. Usually they do not place orders from any one established manufacturer of a finished products as a whole but take its services for one or more processes. Following are the establishments stages of manufacturing the finished products:

1. Stanly & Morse, Modern Small Industry for developing countries, London, p.305.

TABLE No. 1
ESTABLISHMENTS BY STAGE OF MANUFACTURING

S.No.	Particulars	No. . of Establishments
1.	Making of Gulli	145
2.	Making of Patterns	36
3.	Sheet work	69
4.	Moulding	491
5.	soldering	227
6.	Scraping	709
7.	Engraving	73
8.	Lacquening	1358
9.	Electroplating	126
10.	Polishing	138
Total		3,372

Source: Data collected by District Industry Office ,
Moradabad, and compiled by the author.

The labour force of Moradabad's Small Scale Industry is mostly generated in the house-hold units. Children begin to learn the craft of their parents from a very early

age. Apart from this in many of the brassware establishments young boys enter as apprentices to learn a craft that is not carried on in their home or to work under a master-craftman. This system is in vogue particularly with regard to training in the art of engraving. The most common age for beginning apprenticeship is from 11 to 13 years. Apprentices are unpaid in the beginning and receive increased wages as their skill develops.

Socio-Economic Facts:

1. The Brassware industry has two major lines of production:
 - a) Manufacturing of Brass utensils and other utility items,
 - b) Brass/electroplated nickle silver art wares.

The items in category (a) are mostly for home consumption but they have potential for export to African countries Malasia, Indonesia where people of Indian origin live. Items in category (b) are primarily meant for export.

2. This industry is organised on cottage industry basis, however the 'Karkhandari' system is fundamentally prevalent where Karkhandar is not a trader but an actual organiser of production, i.e. entrepreneur manufacturer.

3. Division of labour is prevalent at all centres where processes are done by different sets of people. There are pattern makers, moulders, scrappers, solders, engravers, polishers and electroplaters.
4. The supply of essential raw material and the sale of finished product is controlled by private traders and middlemen. The raw material supply is controlled by the big businessmen who have the financial capability of large investments in the manufacturing.
5. There is a wide gap between capital investment and the working capital needs of the Karkhandar engaged in production activity vis-a-vis the loan facilities available through institutional financing agencies. The natural result is dependence on private source, who charges exorbitant rates of investment.
6. In this industry men, women and children all contribute their share of labour in different ways.
7. The artisans in the industry are mostly illiterate. They are devoid of the sense of decent and clean living, family planning and a balanced habit of spending. This adversely affects their socio-economic condition, which is pitiable. At Moradabad more than

70% artisan live and work in unhygienic condition which has resulted in high incidence of serious ailments like T.B. which naturally affects the working capacity of the artisans adversely.

Establishment and Growth of the Industry:

There is no authentic information available regarding the establishment of brassware industry of Moradabad, but it is believed to be a few centuries old. At the beginning, the industry is reported to be in the hands of a class of persons known as 'potters'. Their range of production was limited to utensils only. However, soon afterwards brassware industry was truly set up with the entry of few enterprising Muslim families. They introduced new tools and diversified production. The market for the handicrafts items of Moradabad was widened with the impact of their knowledge of Muslim culture as well as the need of the foreign countries. Different varieties and shapes of house-hold articles that were in demand in the foreign markets were produced at Moradabad.

Brass-ware Industry of Moradabad today ranks second among the handicraft items exported from India. Though this craft is spread over so many parts of the country, but Uttar Pradesh is the most important centre in India. Moradabad, Mirzapur, Hathras, Aligarh, Jalesar are some of the important

centres of brassware in the State. Among these, Moradabad is the biggest centre of brassware industry. The share of Moradabad in total production and export of brass-ware in the country is about 80% and 75%¹ respectively. In the export of novelties and fine art wares, share of Moradabad is more than 85%².

The following Table shows the growth of the industry:

TABLE No. 2
GROWTH OF THE BRASSWARE INDUSTRY

Process	1940	1950	1960	1970	1980	1988	Total
Making of Gulli	14	17	24	33	42	15	145
Making of Patterns	3	4	6	8	11	4	36
Sheet work	8	8	12	11	18	12	69
Moulding	48	57	81	108	128	69	491
Soldering	23	29	41	56	58	20	227
Scraping	70	86	123	147	195	88	709
Engraving	7	8	11	21	16	10	73
Lacquering	149	179	253	326	342	109	1,358
Electro-plating	12	15	22	29	30	18	126
Polishing	13	15	21	30	33	26	138
Total	347	418	594	769	873	371	3,372
Percentage	10.29	12.40	17.62	22.80	25.89	11.00	100

Source: Data collected by the courtesy of District Industry Officer, Moradabad and percentage calculated by the author.

1. Information collected by the courtesy of Brassware Manufacturers/Exporters Association, Moradabad.
2. Ibid.

The table shows that the 347 crores 1029 percent units were established in 1940. During the subsequent decade in 1950, 418 or 12.40 per cent units were set up with the average rate of 1.2% per annum. In the following decade, 1960, there were 594 or 17.62 per cent units, raising the rate of 1.8 per annum. During 1970 as many as 769 or 22.80 per cent new establishments were found with annual rate of 2.3% per annum. The next decade, 1980 witnessed the further 873 establishments accounting for 25.89 per cent of the existing units with average rate of 2.6% per annum. During the period of 1988, the setting up 371 or 11.00 per cent units, lowered the rate of growth to 1.6% per annum. It is therefore, evident from the above table that over decades the industry has recorded a ten fold development, which is indicated by the increasing number of establishments in each decade since 1940. The process wise details reveal that the growth has been more pronounced particularly in lacquering, scraping and moulding. The growth may largely be attributed to the expansion of the foreign market for Indian brasswares.

ORGANISATIONAL STRUCTURE OF THE INDUSTRY

Pattern of Proprietorship:

Mostly units engaged in the production of brassware have been organised on single ownership basis. This is the

dominant form of organisation. Only 15%¹ of the units were run on the partnership basis. It may be emphasized that the industry organised mainly on the proprietary basis, connotes that it is not only providing employment to several thousand of craftsmen at Moradabad but as also provided an effective instrument for mobilising the private resources into productive channels, which otherwise might have remained hoarded.

Although sole-proprietary form of organisation is the dominant form of organisation of the brassware industry at Moradabad, yet a large majority of units have to depend for supply of both work and materials on dealers. Their mode of operation is, usually speaking, of servicing nature rather than organisation of their own independent production.

Almost 65%² of the existing units solely operate as servicing units rather as independent manufacturing units. These units have to depend on dealers both for work and materials. 20%³ of the units presently engaged in the production of brasswares undertake the work on their own account. A negligible percentage of such units also carry out work on their own account as well as on contract or on wages.

1. Information collected by the courtesy of District Industry Office, Moradabad.

2. Ibid.

3. Ibid.

There is a special class of workers at Moradabad, known as contractors. They do not have workshops of their own nor do they undertake the risks of production. Mainly they function as a middleman taking orders from the dealers of exporters and forming out the work to small manufacturing units on contract basis.

Venue of Work:

It is observed that the one-third of the units carry out work at the residential premises. This is particularly so with regard to scraping work, and to certain extent in respect of engraving process. There are common sheds also which are utilised on a rent sharing basis. About half of the units engaged in electroplating work are located in common sheds. Such a sharing of common sheds for production purposes is not so common in other processes of the industry. About more than one-third of the units have their individual place of work separately from their residential places.

Period of Work:

Except the weekly holidays and festivals, the units are engaged in production for whole of the year. Except during rainy season, the production activity maintains the tampo throughout the year. People working in the moulding,

polishing and engraving sectors find work for about nine months in the year. While workers engaged in making gulli and lacquering find work for about eight months. In the remaining sectors the number of work days does not exceeds 275 days.

Motive Power:

In the brassware industry, much of the work is done by hand. Nearly 90%¹ of the units carry out their work manually. It is only in polishing, sheet-work, scraping, electroplating where we find the use of electric power. A big majority of the units are not registered under any act. And very few units come under the Factories Act.

Wages to the Workers:

The peice rate system is prevalent in the industry. The average daily wages of a worker range between Rs. 15/- and Rs. 40/-². Labour charges for each manufacturing process is mostly predetermined by prevailing trade practices and also by Karkhanedars, engravers, manufacturers. In fact, wages for the similar work also differ according to weight and size of the article made and the skill of the artisans.

-
1. Information collected by the courtesy of District Industry Office, Moradabad.
 2. Information collected by the courtesy of District Labour Office, Moradabad.

Government Policy Towards this Industry:

The Government of Uttar Pradesh is assisting the promotion of the brassware industry at Moradabad. Various Government agencies assisting the development of brassware industry at Moradabad are:-

1. U.P. State Brassware Corporation Ltd.
2. State Directorate of Industries.
3. All India Handicrafts Board.
4. U.P. Government's quality marketing Centre.
5. Small Industries development Organisations.

The principal agency responsible for the development of small and cottage industries is the State Directorate of Industries in U.P. It registers units, checks and enforces various rules and regulations formulated by U.P. Government from time to time.

U.P. State Brassware Corporation Ltd., is another state level agency which solves the various problems faced by the brassware industry at Moradabad.

Quality marketing centre working at Moradabad is under the State Directorate of industries keeper. This centre has been set up to test quality of tin plating on brass-ware.

All India handicrafts board looks after the design and development requirements of certain industries in U.P. including brassware industry at Moradabad. Keeping in view that export potentialities of the brassware industry of Moradabad, it is desirable that the design and development centre of all India handicrafts board should devote more attention to this export oriented industry.

On the basis of the above discussion it can be concluded that no authentic information regarding the establishment of the brassware industry is available, but it is generally believed to be a few centuries old. The number of units engaged in the production of brassware at Moradabad is 3,372 which are mostly organised in the form of sole proprietary concern and only 15% of the units are run on partnership basis. About 65% of existing units solely operate as servicing units rather than independent manufacturing units. And 20% units engaged in the manufacturing of brassware undertake the work on their own account.

One-third of the units carry out work at the residential premises. There are common sheds which are utilised on a rent sharing basis and serve as a joint place of work. More than one-third units have their individual place of work separate from their residential places.

All the units remain engaged almost the whole year. The average number of days work nearly 275 days.

In the brassware industry, much of the work is done by hand. Nearly 90% of the units carry out their work manually. Only for polishing, sheet work, scraping, electroplating, the electric power is used.

Piece wage system is prevalent in the industry as most of the processes involved in the production of brasswares are undertaken on contract basis. The average daily wages of a worker range between Rs.15/- to 40/-. Wages for the similar work also differ according to size and weight of the articles made and skill of artisans.

The Government of India has been pursuing the development of cottage and small industries and a number of measures have been taken to assist the growth of such industries in the country.

The U.P. State Brassware Corporation Ltd., the State Directorate of Industries, the All India Handicrafts Board, U.P. Government's Quality Marketing Centre and the Small Industries Development Organisations, are the principal agencies assisting the development of brassware industry of Moradabad.

Having examined the establishment and growth, organisational structure, Government policy towards the brassware industry of Moradabad, the next chapter deals with the various agencies for the development of Brassware Industry.

C H A P T E R - II

"ROLE OF VARIOUS AGENCIES FOR THE
DEVELOPMENT OF BRASSWARE INDUSTRY"

ROLE OF VARIOUS AGENCIES FOR THE
DEVELOPMENT OF BRASSWARE INDUSTRY

The inevitability of export promotion for the country, the Government of India has established an elaborate institutional structure for the same. A number of organisations and commodity Boards specialising in selected commodities have been set up by the Government to augment exports from India. A series of organisations like State Brassware Corporations of India, Export Promotion Council, Trade Fair Authority of India, Trade Development Authority, All India Handicrafts Boards, Handicrafts and Handloom Export Corporation of India, etc. have come up to assist the export promotions and to fetch the increasing foreign exchange resources for the accelerated pace of our economic development.

U.P. State Brassware Corporation Ltd:

U.P.State Brassware Corporation Ltd., plays a very important role. It was established in 1974 under the Company's Act 1956 in Moradabad. The main object for which the company is established are :-

- 1) To aid, counsel, assist, finance, protect and promote brassware and EPNS small Industries in the State of Uttar Pradesh whether owned or run by company,

firm or individual and to provide them with capital credit, means, resources, raw materials and technical and managerial assistance.

- 2) To enter into contract with Government of India and the State Government in all their departments and corporations and other subsidiaries and branches and from agency or offices these of having the necessary powers for fabrications, manufacture, assembly and supply of brass and EPNS goods, materials and articles and to arrange for the performance of such contract.
- 3) To take all the necessary and requisite steps to utilise the potential productive capacity of plants operated by small industrial concerns in brassware and EPNS moulding, shaping, scraping, engraving, finishing and electroplating.
- 4) To certify the appropriate Government Officers with respect to the competence as to capacity and credit of any small industrial concern or group of such concern to perform in specific government contract.
- 5) To obtain from any Government Ministry departmental establishment or agency such reports concerning the giving of contracts and sub-contract marking of loans to business concerns.

- 6) To effect co-ordination between large industries and small industries by suitable methods, enabling small industries to manufacture satisfactorily such parts, ancillaries and components and other articles as may be required by large industries.
- 7) To promote and operate schemes for development of small industries of brassware is the State of U.P. for that purpose to prepare or get prepared reports, blue prints, statistics and other informations.
- 8) To carry on the business of dealders in brassware and tools and machinery, builders hard-ware and descriptions for the development of brassware industry.
- 9) To manufacture, buy, sell, import, export, install, work and generally deal in any plant, machinery, tools materials goods or things or any description which in the opinion of the company, may be conveniently dealt with by the company in connection with any of its objects.
- 10) To enter into any partnership or arrangement for joint working in business, sharing of profits, pooling of any industrial undertaking, with any of the company, firm, a person carrying on or engaged in manufacture or business with in the object of this company.

- 11) To establish, promote, subsidiaries and otherwise assist any company or companies for the purpose of setting up any industry or running any industrial undertaking, acquiring any property.
- 12) To sell, dispose of, hire or transfer the business property and undertaking of the company or any part thereof for cash, stocks or shares of any other company or for any other consideration which the company may see fit to accept.

The figure of Raw material show that the Brassware Corporation Ltd. of Moradabad since 1982-83 has been achieving much more than their set targets. Their performance gradually picked up in 1982-83. The target was set at 200 lakhs but the achievement was 201 lakhs whereas in 1986-87 the target was 800 lakhs whereas the achievement was more than double i.e. 1,650.52 lakhs.

As far as export trade is concern the performance of the corporation is not satisfactory. In 1982-83 the target of export was 50 lakhs while the achievement was mere 6.40 lakhs and since then the trend shows the declining targets as well as achievements. In the year 1986-87 the target as well as the achievement came down sharply as the target was 2.00 lakhs and achievement was only 0.11 lakhs.

TABLE No. 1

THE U.P. STATE BRASSWARE CORPORATION LIMITED, MORADABAD
(Progress of last five years of the Corpn.)

Rs. in lakhs

Name of the Activities	<u>1982-83</u> Target	<u>1982-83</u> Achiev.	<u>1983-84</u> Target	<u>1983-84</u> Achiev.	<u>1984-85</u> Target	<u>1984-85</u> Achiev.	<u>1985-86</u> Target	<u>1985-86</u> Achiev.	<u>1986-87</u> Target	<u>1986-87</u> Ach
Raw Material	200.00	201.00	200.00	210.00	220.00	283.34	512.00	860.41	800.00	1650.
Export Trade	50.00	6.40	50.00	4.01	50.00	1.40	20.00	1.46	2.00	0.
Inland Trade	30.00	31.51	40.00	24.51	60.00	11.05	24.00	9.52	15.00	9.
Financial Assistance and Artisons	1.00	0.60	--	--	--	--	--	--	--	--
Supply of Machinery under Hire Purchase Scheme	1.50	6.52	--	--	--	--	--	--	--	--
TOTAL :	282.50	246.43	270.00	238.52	330.00	295.82	556.00	871.39	817.00	1660.

Source: Data collected by the courtesy of U.P. State Brassware Corporation Limited, Moradabad.

The performance of U.P. State Brassware Corporation Ltd. regarding inland trade is also not satisfactory. Except the year 1982-83 the achievements are declining. During this year (1982-83) the target was 30 lakhs whereas the achievement was 31.51 lakhs, whereas during the year 1986-87 the target was 15 lakhs and the achievement was low at 9.50 lakhs.

As far as the financial assistance to the exports and artisans is concerned, no conclusion can be drawn as the data is available for only one year - 1982-83. The target of assistance was 1 lakh, whereas the real assistance provided was only 0.60 lakhs.

The same is the case with supply of machinery on hire purpose scheme. Data is available only for the year 1982-83. In this particular year the target set was 1.50 lakhs and the achievement was Rs. 6.52 lakhs but as the data is available only for one year we can not generalise this trend.

Working of the U.P. State Brassware Corporation Ltd.:

U.P. State Brassware Corporation of India with the assistance of Government of U.P. is working on the following lines :-

- 1) U.P. State Brassware Corporation look up the matters of providing basic raw material at international prices to exporters with the Government of India. It is heartening to note that the Government of India appears to be seriously considering implementations of this suggestion.
- 2) To provide land-free metal, it has put a non-ferrous rolling mill which has started supplying brass and EPNS sheets from 14th April, 1983 to the trade. The mill has been set up with an investment of Rs. 3.73 crores at Moradabad.
- 3) A design and development centres is being set up. This centre, in addition to evolving new design would also make prototypes to be given the trade at subsidised rates.
- 4) To boost exports and to give special attentions to it Government of U.P. has created an export promotion development department as a separate department of the Government of U.P.
- 5) Government of U.P. is considering a proposal to provide improved tools and plants to the artisans at the subsidised rates.
- 6) The U.P. State Brassware Corporation, in collaboration with all India Handicrafts Board, is putting up a metal handicraft service centre at Moradabad at a estimated cost of Rs. 1.5 crores. This will have electroplating and polishing

units, artisans can avail its service on reasonable payment. It will also have a section imparting the training to the artisans in these trades.

7) The industrial estate would be an ideal place for bonded proceeding complex where in the imported raw material at international price could be made available to users/ exporters obviously it will result in some control over production and utilisation of imported raw material. This would again be an ideally suited place for the completion of formalities at a single point.

8) Technological improvements would be provided by the design development centre.

9) The problem of excise duty on handicraft good is also taken up by the U.P. Government with the Government of India.

10) Minerals & Metals Trading Corporation of India has opened its depot at Moradabad recently which will be managed by U.P. State Brassware Corporation.

11) It is proposed to establish an export complex at Moradabad providing all the facilities to the exporters at one place.

12) U.P. State Brassware Corporation is establishing a big industrial estate for such artisans adjoining to the city.

This in fact will be a new township for the artisans equipped with all modern facilities in healthy surroundings. The artisans will be provided with residence cum workshed in open area with parks, wide streets, all the infrastructure, such as electricity, water supply etc. The industrial estate will also consist of an electroplating plant and a lacquering plant, Banks, administrative officers of the exporters. Post Office will also be located. There will be a hospital for the artisans and also educational facilities. The U.P. State Brassware Corporation intends to extend township to accommodate more and more artisans and thus in due course of time a model town for the brass artisans of Moradabad will come into existence. This will not only improve the lot of the artisans but will also result in preservation of the artistic tradition and bulk production of the required items.

Following table shows the achievements of U.P. State Brassware Corporation.

TABLE No. 2
THREE YEAR ACHIEVEMENTS OF INDUSTRIAL ESTATE
(Peetal Nagari)

S.No.	Details	1986-87	1987-88	1988-89	Total
1.	Construction of residential complex	305	259	-	564
2.	Construction of workshop	88	10	-	98
3.	Distribution	80	112	133	325
4.	Possession	-	66	8	74

Source: Data collected by the courtesy of U.P. State Brassware Corporation, Ltd., Moradabad.

The above table reveals that the Corporation constructed 564 residential complex and 98 workshops for the artisans in which 305 residential complex constructed in 1986-87 and 259 in 1987-88, while the construction of 88 and 10 workshops has been completed in the same years (1986-87 and 1987-88). Among these the corporation distributed 80 residential complex and workshops (both) in the year 1986-87, 112 in the year 1987-88 and 133 in the year 1988-89. While the artisans occupied only 66 complex and workshops in 1987-88 and 8 complex and workshops in 1988-89. It shows that the artisans possessed the total 74 residential complex as well as workshops as against the both distributed 325. It shows that the artisans are occupying the both in the Industrial Estate gradually, or not interested to go, perhaps, because the Industrial Estate is far from the city and in the isolated place.

Export Promotion Council:

Export Promotion Council plays a very important role for the development of Brassware industry of Moradabad. At present there are 19 councils in India. Of these, Handlooms and handicrafts exports promotion council is looking after the export promotions of brasswares. This council was set up with the objective of creating export consciousness in

the country promotional activities abroad, general publicity, establishment of offices abroad, implementation of export assistance scheme etc. The council collects the commercial information for export of art brassware. The information collected includes imports and productions of different countries, consumer preferences, marketing opportunities, media of publicity available in the country, prices, distributions channels etc. It also makes available to the exporters the latest Government rules and procedures about the various aspects of exports.

Trade Fair Authority of India:

It organises Indian participation in exhibitions and trade fairs abroad for display at the different universal exhibitions and fairs. The Trade Fair Authority of India itself buys exhibits on behalf of the Government of India in the nature of handicrafts and decoratives. In respect of export efforts through participations in fairs and exhibitions abroad, Trade Fair Authority of India is playing a dynamic role to accelerating the export abroad.

All India Handicrafts Board:

The All India Handicrafts Board, which was set up in 1952, undertakes a number of measures for the export promo-

tion of India handicrafts including brasswares. Such as participation in trade fairs exhibitions, publicity through documentary films, calendars, special illustrated catalogues on different crafts. It also publishes posters at the time of exhibitions and other important occasions. It also gives National Awards to exporters of handicrafts for outstanding performance in exports on the occasion of the Annual National Awards Ceremony to honour outstanding masters - craftsmen.

Trade Development Authority:

Trade Development Authority of India is promoter of India's exports. It gives help to individual exporters, especially to those in the small Scale Sector. It is the only national organisation which renders, under one roof, a complete package of service to an entrepreneur. It locates and contacts foreign departmental stores and import houses. The Trade Development Authority also helps in arranging necessary foreign exchange for the clients for export promotion travels and publicity purposes. It also disseminates informations to exporters and other interested parties and publishes abroad Indian products and their supply-sources.

Handicrafts & Handloom Export Corporation of India Limited:

The Handicrafts and Handloom Export Corporation of India Limited is a fully owned subsidiary of the State

Trading Corporation of India Ltd. It undertakes, among other things, the exports of brass-wares of Moradabad, which have large export potentialities abroad. In order to project a good image of India's craftsmanship in foreign countries, the Handicrafts and Handloom Export Corporation has set up show-rooms at New York, Japan, Nairobi and Paris. The Handicrafts and Handloom Export Corporation has established a prestige image in the U.S.A. and West European markets for Indian brass-wares. The Corporation's offices in India are equipped to handle a vast range of merchandise of exportable qualities produced anywhere in the country. Abroad, the net work of offices, show-rooms, shops and warehouses that have been developed in France, West Germany, U.S.A., Japan etc., are in touch with the leading importers, departmental stores, wholesalers etc. and hence contributing towards the ever increasing exports of brass-wares from Moradabad.

From the foregoing discussion it can be concluded that U.P. State Brass-ware Corporation of India Ltd., assist finance and protect these units and provide them capital credit, means, resources, raw material, technical and managerial assistance and to promote and operate schemes for development of small industries of Brass-wares. They also enter into any partnership or arrangement for joint

working in business, sharing of profits, with any other company or firm. The corporation in collaboration with All India Handicrafts Board is putting up a metal handicraft service centre at Moradabad at an estimated cost of Rs.1.5 crores.

U.P. State Brass-ware Corporation has established a big industrial estate for such artisans at a place adjoining to the city. It is a new township. The artisans are provided with residence-cum-workshed in open area with all the infrastructure, such as electricity, water supply etc. The corporation constructed 564 residential complex and 98 workshops for the artisans, whereas corporation distributed 325 residential complex and workshops.

At present there are 19 promotion councils in India which play an important role for the development of brassware industry at Moradabad. These councils were set up with the objective of creating export.

The Trade Fair Authority of India is playing a dynamic role, it organises Indian participation in exhibition and trade fairs abroad by displaying the Moradabad handicrafts at different universal exhibitions and fairs.

Of these, All India Handicrafts Board, Trade Development Authority, Handicrafts and Handloom Export Corporation have played a prominent role in promoting the exports of Moradabad brasswares.. After studying the role of various agencies in this chapter, the third chapter has been devoted towards the role of Brassware Industry in the economic development.

C H A P T E R - III

"ROLE OF BRASSWARE INDUSTRY IN THE ECONOMIC DEVELOPMENT"

ROLE OF BRASSWARE INDUSTRY IN THE ECONOMIC DEVELOPMENT

The brassware industry occupies a unique position and importance in the economy of the country. In the recent years, this industry has been encouraged by the Government to improve its performance. The volume and range of products manufactured, employment provided and the value of exports by brassware industry have grown substantially during the last decade as is evident from the following explanation of the important variables of growth.

Income Generation:

The artisans of brassware industry of Moradabad can be classified into two categories :

One, contract wage workers who work with their own tools and get raw materials either from the dealers or State Brassware Corporation of India Limited. The wage-rate is based on contract system per kilogram of metal worked or piece rate system. The charge depends upon the quality and quantity of the articles.

Another type of artisans are those who are hired by the factory owners or Karkhanedar for manufacturing of the

products. Usually, the skilled labour is paid at the rate of Rs. 50/- to 80/-¹ per day and the unskilled labour at the rate of Rs. 15/- to Rs. 40/-² per day.

The following table reveals the monthly income of artisans :

TABLE No. 1

Industry	No. of sample units	No. of workers	Wage paid ₹	Average wage ₹ per worker (in Rs)
Brassware Industry Moradabad	50	400	4,72,500	1,181

Source: Field Investigation made by the author.

The above table shows the monthly income of both skilled and unskilled workers for 50 sample units. In these units 400 workers are employed who got Rs. 4,72,500/- and the average income of a worker is Rs. 1,181/- per month.

Employment:

The brassware industry provides employment to 1.10³ lakhs persons. The majority of the workers are hired labourers and

1. Information collected by the courtesy of District Labour Office, Moradabad.
2. Ibid.
3. Information collected by the courtesy of Manufacturers/Exporters Associations, Moradabad.

family workers are relatively less. The labour mix of the industry includes males, females and children. Of this about 76% constitute male workers, while about 19% constitute children below the age of 15 years. A little more than 5% of the workers accounted women's attended mainly to gully making and scraping workers.

The following table shows the employment of the industry :

TABLE NO. 2

DISTRIBUTION OF TOTAL EMPLOYMENT BY TYPE OF WORKERS

Type of work	%	Family workers	%	Hired workers	%	Total No. workers
Making of Gulli	56.13	5,253	43.86	4,104	100	9,357
Making of Pattern	73.45	5,240	26.54	1,894	100	7,134
Sheet work	44.73	4,574	55.26	5,650	100	10,224
Moulding	46.99	6,993	53.00	7,886	100	14,879
Soldering	36.02	3,047	63.97	5,410	100	8,457
Scraping	44.08	7,328	55.91	9,295	100	16,623
Engraving	49.67	3,347	50.32	3,391	100	6,738
Lacquering	50.98	9,616	49.00	9,246	100	18,862
Electro-plating	58.80	4,560	41.19	3,194	100	7,754
Polishing	41.50	4,139	58.49	5,833	100	9,972
	49.17	54,097	50.82	55,903	100	1,10,000

Source: Data collected by the courtesy of District Labour Office, Moradabad.

On the whole the lacquering process employed the largest number of workers relatively with other processes. Engraving and scraping employed about 6,738 and 16,623 persons respectively. About 7,134 persons are estimated to be engaged in making of patterns. It may be observed that children predominate among the gully makers through their role is, as helpers only. Moulding as well as engraving work also employed a large number of children.

Looking from another point of view, it may be observed that more than half of the employed persons were hired for work on some wage rate basis, whereas the rest constituted members from the families which own the establishments. Pattern making is almost exclusively confined to the family workers. Conversely, sheet worker, lacquering as well as polishing depended mainly on the hired labour. The average employment per establishment works out to be about 8 persons, of which nearly half constitute family workers and the rest hired labour.

Production:

In Moradabad, since the medieval period, artisans have been producing various art pieces of distinctive quality mainly consisting of decorative items. They produce both

plain as well as engraved metal art wares. The items that are more popular and bear a distinctive characteristics of the art traditions of Moradabad artisans are flower cases in various sizes, beautiful table taps, trays and candle stands. Items like ashtray, beer-mugs, pag tables, bookend etc. of considerable variety are also produced by the artisans. Some of the engraved items are enamelled by coloured lac thus giving a lustre and colourful appearance to the decorative pieces. Such items are mainly popular in the middle east and some European countries.

Moradabad is also a centre for the production of electroplated nickle silver (EPNS) planes and considerable quantity of these items are exported to the various countries.

The total production is estimated at around Rs. 200/-¹ crores out of this over 50%² is exported and the remaining consisting of handicrafts and utensils are for home consumption.

Each manufacturing process has its own cycle of production, from the initial stage to the final stage of production, it takes a total time of about 6 weeks.

In each processing stage through which material passes, adds some value to the cost of raw material. The highest

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1. Information collected by the courtesy of Manufacturers/Exporters Association, Moradabad.
 2. Ibid.

percentage of added value of product is shared by the processes of pattern making, moulding, soldering and scraping which takes together works out to 54 percent helps it to acquire its actual shape. The next highest percentage of added value is contributed by engraving process being about 25 percent which gives the product its article beauty. The third process is polishing which adds about 13 percent to the value of the product. And the remaining 8 percent is contributed by the processes of lacquering and electroplating.

Development of New Product :

Development of product usually involves six stages :

1. New ideas
2. Screening of ideas
3. Business analysis
4. Product development
5. Test marketing
6. Commercialisation of the product.

The main source of inflow of ideas may be professional designers, customers, dealers etc. at present the sources of inflow of ideas for product development of Moradabad are the foreign buyers, local artisans and design development centres of the state and central Governments. After evaluation the

market potential of the product, capital investment, rate of return on capital, the product ideas is duly converted into physical product. After test marketing necessary modification are made in the product to undertake mass productions, and distributions of the product. In the Brassware Industry of Moradabad, where most of the artisans are illiterate and economically weaker are unable to undertake a scientific process of product development. Although some modifications in traditional design and shapes of brasswares recently been witnessed in the industry.

The following table shows the production of brassware during the last one decade:

TABLE No. 3

Year	Value of Production(in Crores)
1977-78	20.86
1978-79	41.6
1979-80	135.69
1980-81	110.92
1981-82	130.45
1982-83	112.12
1983-84	106
1984-85	134.1
1985-86	156.82
1986-87	177

Source: Data collected by the courtesy of All India Handicraft Board, Research Section, N.D.
(From 1977-78 to 1986-87).

The table shows that till 1979-80, the production had been increasing gradually but it fell suddenly in during 1980-81 as a result of communal riots, which continued at Moradabad from August 1980 - to November 1980. The production has constantly kept on increasing except in 1983-84.

Foreign Exchange Earnings:

It is an established fact that the export of Art Metal Wares is a very important source of foreign exchange to the country and it should not be allowed to diminish. It is the speciality with this industry alone that the export mainly depends upon the hand work of the craftsmen who are engaged day and night in manufacturing and introducing new design and patterns which suits the market of every country in the world. These artisans have got hereditary knowledge, workmanship, skill and know-how required for developing the designs and patterns and manufacturing them accordingly. The exporters collect these samples and designs from these artisans and send to the foreign buyers for the approval and acceptance.

The industry of Moradabad contributes nearly 80% of exports from the country. The total export of handicrafts from India is Rs. 100 crores.¹

1. Data collected by the courtesy of Brassware Manufacturers/Exporters Association, Moradabad.

At present, brasswares of Moradabad are being exported to more than hundred countries of different economic regions. Our brasswares are being demanded both by developed as well as developing countries. Among the developed countries, U.S.A., U.S.S.R., U.K., France, West Germany, Japan, Australia, Canada etc. Among developing countries, Saudi Arabia, Kuwait, U.A.E., Hong Kong, Iran, Libya, Taiwan, Nigeria, Tanzania etc. are our customers. In fact, India stands in a position to compete with rival countries as she passes good resources potential. Moreover, global developments such as rising trends in the cost of production of principal competing countries and the development boom particularly in the developing countries of the Gulf and the Middle East region provide us golden opportunities to minimise the impediments and boost up exports of brass wares from Moradabad.

It is, therefore, certain that our brasswares with competitive prices will continue to find increasing acceptability in these important established markets. As such our exporters are at an ease to make concerted efforts to explore new markets to fetch increasing foreign exchange earning for the rapid pace of our socio-economic development.

The growth in the export of brasswares during the last one decade is revealed by the following figures:

TABLE NO. 4
EXPORT (In Crores)

Year	%	Brass wares	%	Electro- plated nickle silver	%	Total
1977-78	84.39	37.10	15.60	6.86	100	43.96
1978-79	85.71	51.67	14.28	8.61	100	60.28
1979-80	87.65	63.90	12.34	9.00	100	72.09
1980-81	88.22	53.22	11.77	7.10	100	60.32
1981-82	81.18	66.38	18.81	15.38	100	81.76
1982-83	77.38	57.91	22.61	16.92	100	74.83
1983-84	75.11	55.00	24.88	18.22	100	73.22
1984-85	72.03	64.40	27.96	25.00	100	89.04
1985-86	71.01	73.50	28.98	30.00	100	103.05
1986-87	68.50	87.00	31.49	40.00	100	127.00
	77.50	610.08	22.49	177.09	100	787.17

Source: Data collected by the courtesy of U.P. State Brassware Corporation, Moradabad.

The table under study clearly reveals that upto 1979-80 the export of Moradabad brassware EPNS, was increased year after year but suddenly decreased in 1980-81. It is the impact of the communal riots which continued for about four months, during the peak season for the industry. However,

the position was expected to be improved as the level of export of brassware could only cross the 1979-80 figures but the export of EPNS products increased gradually after 1980-81.

The fact from the point of view of the export market can be summarised as below:

- (a) The brass artware industry has earned a niche for itself in the international market, because of the excellence of hand engraving ware.
- (b) The hand engraving has been such an asset that it has helped the industry in its growth despite being incompetitive in terms of price and quality.
- (c) The appeal of the hand engraving art is gradually dwindling and the trend is now more towards quality of finish and the excellence of forms. In this context it would not be out of place to summarise the consumer preference under the following categories:
 - i) Items of purely decorative and prestige value.
 - ii) Items with same utility value but substantially decorative.
 - iii) Items of purely utility.

In export it has generally been observed that items in (i) cater for hardly 10%¹ of the market while about 85%² of taken care by items in the category (ii) and the balance by the category (iii).

This trend reflects that the products feature such as a combination of utility and beauty is playing the dominant role in the marketing of the product. This of course has to be combined with the price consideration.

From the above discussion following conclusions emerge :

There are two categories of workers one, who are own account contract wage workers and another who hired by owners of the firms. Usually they pay to unskilled and skilled labourers Rs. 15/- to 40/- and Rs. 50/- to 80/- per day respectively.

Brassware industry provided nearly 1.10 lakh employment where the family workers are less in comparison to hired workers. As a whole the lacquering process employed largest number of worker relatively with other process. It may be

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1. Information collected by the courtesy of Bartan Udhog Society, Moradabad.
 2. Ibid.

felt that children predominate among the gulli maker though their role is, as a helper only. Average employment per establishment is 8 persons of which nearly half constitute family workers and the rest hired labour.

The items that are more popular of the art tradition of Moradabad artisans are flower vases, beautiful table taps, trays and candle stands. Items like ashtray, beermug, pag tables, bookend etc. of considerable variety are also produced by the artisans.

Moradabad is also a centre of Electroplated Nickle Silver products. The total productions of the industries estimated of Rs. 200 crores out of this 50% is exported.

Production of brasswares take a total time of about 6 weeks. In case of the moulded articles, the highest percentage of added value of product is shared by the processes of engraving, scraping, pattern making and moulding. Followed by polishing, lacquering and electroplating.

No scientific process is followed by the industry in respect of the development of new products. The main sources of inflow of ideas for product development of Moradabad are the foreign buyers, design experts and local artisans. Although some modifications in traditional shapes and design have recently been witnessed in the industry.

The export of this industry mainly depends upon the hand work of the artisans who are engaged day and night in manufacturing and introducing new designs. The exporters collect the design and send to foreign buyers, for approval and acceptance. Industry contributes nearly 80% of export from the country and the total export from the country is about Rs. 100 crores.

Brasswares of Moradabad are being exported to more than hundred countries. They are U.S.A., U.S.S.R., U.K., France, West Germany, Japan, Australia, Canada, Saudi Arabia, Kuwait, Hong Kong, Taiwan, etc. In fact, India stands in a position to compete with rival countries as she possess good resources potential.

The export of the industry till 1979-80 increased, but decreased in 1980-81 due to communal riot which continue for about four months which was the peak season for the industry.

C H A P T E R - IV

" "DATA ANALYSIS AND INTERPRETATION"

DATA ANALYSIS AND INTERPRETATION

Type of Business:

The following table shows the forms of business organisation found in the brassware industry of Moradabad.

TABLE No. 1

Number of Respondents : 50

S.No.	Particulars	Actual number of Respondents	Percentage
1.	Proprietorship	40	80
2.	Partnership	10	20
3.	Private company	--	--

Source: Field Investigation made by the author.

Analysis:

The above mentioned table shows that 80% respondents revealed that they were doing business in the form of partnership while only 20% run their own business. So it can be concluded that majority of businessmen run their business in the form of sole proprietorship.

Location of Plant:

The following table shows the locational pattern of the brassware industry:

TABLE No. 2

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Congested Market	34	68
2.	Near the Market	8	16
3.	Near the source of personnel	8	16
4.	Near the supply of Raw material	--	--

Source: Field Investigation made by the author.

Analysis:

The above table shows that 68% business plants are located in congested market, while 16% near the market and remaining 16% near the source of personnel. So it can be concluded that the majority of business plants are located in congested markets.

Qualification Possess:

The following table shows the proprietors engaged in brassware industry:

TABLE NO. 3

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Graduate	30	60
2.	Non-Graduate	4	8
3.	Professional qualification	6	12
4.	Technical qualification	10	20
5.	Others	--	--

Source: Field Investigation made by the author.

Analysis:

The above table shows that 60% owners of the firms are graduate while 20% possess technical qualifications, 12% professional qualifications and remaining 8% are non-graduates.

The classification of data clearly shows that the educational segment of the society is actively involved in the business.

Business Experience:

The following table shows the type of business carried out by brassware industry:

TABLE No. 4

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Year of experience in general	4	8
2.	Year of experience in line of business	46	92
3.	No experience	--	--

Source: Field Investigation made by the author.

Analysis:

The above data shows that 92% respondents possess experience in the line of business but only 8% have year of experience in general.

So, the data indicate that the brassware industry employs experienced persons.

Difficulties in Getting Raw Materials :

The following table shows the degree of difficulty expressed by respondents in procuring raw materials.

TABLE No. 5

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	10	20
2.	No	40	80

Source: Field Investigation made by the author.

Analysis:

The above data clearly reveals that only 20% of the respondents experience difficulty in procuring raw materials whereas there is no such difficulty in case of 80% respondents. From the data, it may be concluded that raw materials is not a major problem in brassware industry. So far as its procurement is concerned.

Raw Material Easily Available:

The following table shows the degree of convenience with which the raw materials is available to the proprietors.

TABLE No. 6

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	40	80
2.	No	10	20

Source: Field Investigation made by the author.

Analysis:

The above table shows that 80% respondents has no problem in getting the raw material while only 20% respondents do not get it easily. So it can be concluded that the majority of respondents acquire raw materials easily.

Effect of Non-Availability of Raw Material
on Productivity:

The following table is indicative of the effect of non-availability of raw materials on productivity.

TABLE No. 7

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	50	100
2.	No	--	--

Source: Field Investigation made by the author.

Analysis:

The above table shows that all the 100% respondents feel that there is effect of non-availability of raw material on the productivity.

Materials Control:

The following table shows the forms of raw material control.

TABLE No. 8

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Through effective Purchasing	42	84
2.	Scientific storing	--	--
3.	Economic consumption	4	8
4.	No	4	8

Source: Field Investigation made by the author.

Analysis:

The above table shows that 84% owners of the business control their material through effective purchasing while 8% control through economic consumption but 8% owners have performed no such type of activity to control the material. So, it can be concluded that majority of the respondents control the materials through effective purchasing.

Labour Problem:

The following table provides informations relating to labour problem in brassware industry.

TABLE No. 9

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	10	20
2.	No	40	80

Source: Field Investigation made by the author.

Analysis:

The above data shows that only 20% respondents has the labour problem and the 80% respondents has no such type of problem. So, the majority of respondents has no labour problem, which supports the idea that the handicrafts and small scale industry enjoy cordial labour management relation.

Operational Problem:

The following table shows the intensity of factors which cause operational problem in the brassware industry.

TABLE No. 10

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Break down electricity	40	80
2.	Lack of technical skill	--	--
3.	Both	10	20

Source: Field Investigation made by the author.

Analysis:

The above table shows that 80% respondents face the problem due to break down of electricity while 20% face both the break down of electricity as well as lack of technical skill. It is clear that majority of respondents face the problem of break down of electricity in their undertaking.

The Production of such Type of Goods which
Requires High Trained & Qualified Persons:

The following table shows the proportion of highly trained and qualified personnel.

TABLE No. 11

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Highly Trained persons	40	80
2.	Highly Qualified persons	10	20

Source: Field Investigations made by the author.

Analysis:

The above table shows that 80% owners feel the requirements of highly trained persons while only 20% require highly qualified persons.

The above classifications show that the majority of the respondents required highly trained persons.

Wage Rate System:

The following table shows the method of wage payment in brassware industry.

TABLE NO. 12

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Piece rate system	28	56
2.	Monthly wages system	--	--
3.	Weekly wages system	22	44

Source: Field Investigation made by the author.

Analysis:

The above table shows that 56% businessmen adopt the piece rate system while 44% businessmen pay the wages to their workers on weekly basis. So, the majority of businessmen adopt the pice rate system of wage payment in their firms.

Bonus and other Incentives to the workers:

The following table indicates the incentive plans being followed in brassware industry.

TABLE NO. 13

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	38	76
2.	No	12	24

Source: Field Investigation made by the author.

Analysis:

The above table shows that 76% of respondents gives the bonus and other incentives to the workers while 24% do not pay the bonus and other incentives to their workers.

Rate of Over Time to the Workers:

The following tables shows the rate of over time payments for workers in brassware industry.

TABLE No. 14

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Below the daily wages	2	4
2.	Equal to daily wages	2	4
3.	More than daily wages	38	76
4.	No	8	19

Source: Field Investigations made by the author.

Analysis:

The above data shows that 76% owners of the firms pay the overtime equal to more than daily wages. 19% pay no overtime and 4% each pay equal to and below the daily wages to the workers. So, it is obvious that majority of owners pay more than daily wages to their workers.

Technique of Management:

The following table shows the technique of management by proprietors of brassware industry.

TABLE No. 15

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage.
1.	Traditional way	42	84
2.	Follow the basic principles of management	8	16

Source: Field Investigation made by the author.

Analysis:

The above data show that 84% respondents manage their firms in traditional way while the 16% follows the basic principles of management. So, the classification revealed that the majority of respondents manage the firms in a traditional way.

Institutional Finance:

The following table shows the sources of finances available to Brassware industry of Moradabad.

TABLE NO. 16

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Commercial Bank	40	80
2.	IDBI	--	--
3.	ECGC	--	--
4.	EXIM BANK	--	--
5.	Private sources	10	20

Source: Field Investigation made by the author.

Analysis:

The above data reveal that the commercial bank provide the finance to 80% owners of the firms while only 20% owners acquire the finance through private source. So, it can be concluded that the commercial banks provide the finance in the majority form.

Period of Credit:

The following table indicates the feelings of borrowing requirements engaged in brassware industry.

TABLE No. 17

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	38	76
2.	No	12	24

Source: Field Investigation made by the author.

Analysis:

The above table shows that 76% proprietors feel that the period of credit is satisfactory. But 24% think that the period of credit is not satisfactory. So, the majority of proprietors satisfied with the period of credit.

Types of Security:

The following table shows the type of security needed for borrowing in brassware industry.

TABLE No. 18

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Hypothecation	--	--
2.	Bank Guarantee	50	100
3.	Pledge	--	--
4.	Any other	--	--

Source: Field Investigations made by the author.

Analysis:

The above table reveals that all the 100% of the respondents get finance against bank guaranteed.

Problems in Bank Credit:

The following table highlights the nature of problems in Bank finances by brassware industry.

TABLE No. 19

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	High interest	32	64
2.	Too many formalities	12	24
3.	Delay in sanctioning credit	6	12
4.	Any other	--	--

Source: Field Investigations made by the author.

Analysis:

The above mentioned data shows that 64% respondents face the problem of high interest in bank credit and 24% face the problem of too many formalities and only 12% such respondents face the problem of delay in sanctioning the credit. So, majority of respondents face the problem of high interest in bank credit.

Type of Brass Goods Produced:

The following table shows that the type of products turned out by brassware industry.

TABLE No. 20

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Decorative	20	40
2.	House hold purposes	10	20
3.	Miscellaneous	20	40

Source: Field Investigations made by the author.

Analysis:

The above table shows that the 40% owners produced the decorative items and another 40% produced miscellaneous items while 20% turned out household items.

So, the classification shows that the majority of the respondents produce decorative and miscellaneous items in their firms.

Basis of Product Designing:

The following table shows the basis for designing the brassware products of Moradabad.

TABLE No. 21

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Indegeneous design	8	16
2.	Imported design	6	12
3.	As per the instructions of the buyer	36	72
4.	Any other	--	--

Source: Field Investigations made by the author.

Analysis:

The above table shows that 72% respondents design the products as per the instructions of the buyer and 16% use indigeneous designs, while 12% follow imported designs. So, it can be concluded that the majority of respondents design their products as per the instructions of the buyers.

Nature of Foreign Buyers:

The following table shows type of foreign buyers for brassware products.

TABLE No. 22

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Private	10	20
2.	Government	--	--
3.	Departmental store	40	80
4.	Defence Department	--	--

Source: Field Investigations made by the author.

Analysis:

The above data shows that 80% owners of the firms sell their products to the departmental stores abroad while 20% sale to private buyers. So, the majority of the respondents sold the products to the Departmental Stores.

Type of Competition:

The following table shows the type of competition being faced by brassware industry of Moradabad.

TABLE No. 23

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Price Competition	34	68
2.	Quality Competition	16	32
3.	Packing Competition	--	--
4.	Any other	--	--

Source: Field Investigations made by the author.

Analysis:

The above data reveals that 68% respondents face the price competition while 32% respondents face quality competition. Thus, the majority of respondents face the problem of price competition.

Product Competitive in the World Market:

The following table shows the business carried out by brassware industry of Moradabad.

TABLE NO. 24

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	50	100
2.	No	--	--

Source: Field Investigations made by the author.

Analysis:

The above mentioned data shows that all the respondent's quality of products competitive in the World market.

Facilities Provided by the Government:

The following table shows the extent of facilities being provided by the Government for brassware industry of Moradabad.

TABLE No. 25

Number of respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	42	84
2.	No	8	16

Source: Field Investigations made by the author.

Analysis:

The above table shows that 84% respondents revealed that the Government provided the facilities like subsidies, duty drawback, etc. to them to run their business while only 16% has no such type of facilities. So, it can be clear that the majority of respondents get the facilities provided by the Government, to run their business.

Government Policies are Favourable:

The following table shows impact of Government policies on the brassware manufacturers.

TABLE No. 26

Number of Respondents : 50

S.No.	Particulars	Actual Number of Respondents	Percentage
1.	Yes	50	100
2.	No	--	--

Source: Field Investigations made by the author.

Analysis:

The above table revealed that the persons engaged in brassware trade, find the Government policies favourable for the development of the trade.

No doubt this industry play significant role in the economic development of Moradabad. Yet it suffer from a number of problems which have hindered in attainment of real goal. In this connection the next chapter is devoted with the problems of Brassware Industry.

C H A P T E R - V

PROBLEMS OF BRASSWARE INDUSTRY

PROBLEMS OF BRASSWARE INDUSTRY

In spite of the vital role which the brassware industry plays in the national economy, this industry faces a variety of problems. Most of the problems of the Brassware Industry of Moradabad arise from its being small in size. The industry seems to be caught in a vicious circle. Small size of establishments prevents them from taking advantages which accrue only to large units, lack of these advantages prevent them from moving up the ladder. With this prefatory note, we discuss in the following pages the various problems being faced by the Brassware Industry of Moradabad.

(a) Financial Problems:

The availability of adequate finance in time is essential for the smooth functioning of an industry. Brassware Industry at Moradabad requires large amount of working capital because raw material alone constitute about 60% of the total cost of productions.¹ The small Karkhanedars and artisans face this problem due to indifferent bank practice which demand security for loan whereas they do not own such security. Consequently, the Small Scale entrepreneurs fail

1. Information collected by the courtesy of Vorba Manufacturers/Exporters, Moradabad.

to get the bank finance for working capital. Banks are required to finance loan upto 50,000/- on easy terms and concessional rate of interest. The small entrepreneurs at Moradabad continue to face this problem even now as they did earlier. Keeping in view the significance of this export oriented as well as labour intensive industry, it is necessary on the part of the Government to extend financial assistance for this industry at liberal terms and conditions without emphasising on security for loan.

(b) Raw Material Problem:

Brassware Industry face another major problem of non-availability of quality raw materials at reasonable rates. In the existing set up, availability of quality raw material at reasonable rates continue to be a problem for small manufacturers. Small Kharkhanedar with limited financial resources have to resort to open market purchase at very high prices. The wealthy traders, who invest their funds in purchasing and storing the raw material for retail selling, afterwards try to exploit the small Kharkhanedar by charging exorbitant prices of materials against the credit sale. If these small entrepreneurs try to import raw material, they fail to do so because their orders for small quantities are not accepted by exporters.

Copper and zinc are the main items of raw materials which are imported. The price of these raw materials have considerably gone up in the international market. In order to enable the small scale producers to procure the raw materials at reasonable rates it is desirable that the State Government should import it in bulk and made it available to the small units at fair rates.

(c) Traditional Production Methods:

The small scale producers still use the traditional methods of production which have failed to improve the quality of production and raise labour productivity. There are only a few units which have installed machines for scraping and polishing work. The processes of casting, soldering, scraping, polishing, electroplating and lacquering can further be modernised to improve upon the efficiency and output of workers. But due to lack of finance they are not in a position to invest their own capital. Considering the growing market and to meet the need of foreign buyers, there is pressing need to further mechanise and introduce improved technology in process of moulding and casting, soldering and scraping, polishing, electroplating and lacquering to increase output and for better finish.

It is also essential to provide an opportunity to the artisans to learn the process of work not yet known to them.

(d) Shortage of Power:

Shortage and interrupted power supply is another problem which adversely affects the production. The producers find it very difficult to adhere to production schedules to execute the foreign orders on time. The State Government should allot more power supply to the district Moradabad in view of its industrial character which consists mostly handicrafts and small scale units.

So, the uninterrupted supply of power is very much essential for the smooth functioning of the industry to fulfil the requirements of the customers.

(e) Marketing Problems:

In the international market, exports in brassware have been meeting tough competition from countries like Taiwan, Korea and even Pakistan. Incidentally, the competition is not in respect of the handicrafts manufactured in India but in respect of such items which can be manufactured mechanically. Most of the planters and functional

items are produced cheaper and at a greater speed by mechanical means in Taiwan and Korea and some other countries who have flooded the international market with their products. There has been a tendency to concentrate on the manufacture and export of such items that are typically the products of individual artistic traditions.

While India is supplying the articles 86 countries, the largest share being that of Saudi Arabia, U.S.A., U.K., U.S.S.R., Fiji, Canada, Israel and Nitherland, followed by Behrain, Brazil, Egypt, Kuwait, Norway, Poland, Sweden, Yemen Arab Republic - our competitions are with markets of Japan, South Korea, Hong Kong, Taiwan, Italy and Pakistan. Though each of these countries have its own clientele because of different characteristics of their products, Yet the competition is there due to problem of close substitutes. The worst part is that even amongst Indian exporters there is an intense competition. In order to maintain prices, the quality standards are lowered. The nature and extent of competitions offered by Taiwan, Pakistan and Korea are explained below:

TAIWAN:

Taiwan offers competition to India especially in respect of plain and heavy items. The extent of advantages

in respect of their items are:

- a) Quality of brass - such as the metal used by Taiwan is considered to be better.
- b) Taiwan enjoys distinct price advantage in plain and heavy items.
- c) The country is able to respond well to change required in shapes and forms.

KOREA:

Competition pattern of Korea is similar to that of Taiwan.

PAKISTAN:

- a) Pakistan enjoys a price advantage of 10% to 20% in respect of sheet items, plain brass items and a few cast item. The difference in engraving is of the order of 19:20 compared to India.¹
- b) Its quality is considered better in respect of durability.

The handicraft items can be divided into three categories based on their use :

- 1) Items which are considered purely decorative having prestige value.

1. Data collected by the courtesy of Manufacturers/Exporters Association, Moradabad.

- 2) Items which have some utility value with substantial decorative features.
- 3) Items which are primarily utilitarian.

While the product features play an important role, the overriding marketing consideration seems to be the retail price range of the items, influencing the buying decision of the consumers.

As per the report of Indian Institute of foreign trade market share by price range is indicated below :-

- 1) If the retail value of an item is less than 2.50 \$ it is considered an expensive.
- 2) If the retail price is 2.50 \$ to 7.50 \$ or even upto 10 \$ it is considered acceptable.
- 3) If the retail price is beyond 10 \$ buying considerations are more exacting.

A. CHANNEL OF DISTRIBUTION:

- a) Established Importers
- b) Whole-salers
- c) Departmental Stores
- d) Other retail outlets.

Established importer, who comprise a few the Indian and Pakistani sellers account for about 85% of the imports. Some importers/wholesalers have their own retail outlets in prominent business centres. Whole-salers act as link between the importers and retail outlets.

B. LACK OF ADVERTISING:

Lack of advertising at national and international level is an important problem being faced by the manufacturers and sellers of the handicrafts products. The role of Government in this connection has been insignificant.

C. SALES TAX:

The artisans - manufactures find the present sales tax and its registration troublesome. The registration system had undergone a change since 1952 and the present tax rates are as follows¹:-

- a) Those having one Bhatti Rs. 100/- per year
- b) Those having two Bhatties Rs. 300/- per year
- c) Those having three Bhatties Rs. 500/- per year
- d) Those having four Bhatties Rs. 800/- per year
- e) Gulli and para Bhatties Rs. 25/- per year.

1. Information collected by the courtesy of U.P. State Brassware Corporation Ltd., Moradabad.

The making or dismantling of Bhatti takes very little time and money and therefore, assessment on their basis does not appear to be justified. Either a flant rate of tax should be charged from all artisans - manufacturers or this tax should be totally done away with.

The sales tax on basic raw material and brass and nickle sheets is 4% whereas it is only 1% is adjoining area such as Delhi.¹

D. CUSTOM AND EXCISE DUTY:

The most important point that has been a thorn to the importers of basic raw material is the custom and excise duty. Since 1.4.1981, the custom and excise tariff has been revised and new duty is being levied in cash at fixed rates i.e. for copper alloys Rs. 3,300/-² per Metric tone, Zinc Rs. 4,662/-³ per Metric tone. Obviously, the charging of this duty on scrape has increased the price of Brass silli and this is adversely affecting the export trade. It is felt that exporters should be charged duty at lower rates on scraps so that they are encouraged to produce more and compete successfully in brass art-wares.

1. Information collected by the courtesy of U.P. State Brassware Corporation Ltd., Moradabad.

2. Ibid.

3. Ibid.

(f) Managerial Problem:

Brassware Industry also faces the problem of management. This industry is mostly managed by owner-managers who do not possess any formal training. It is observed that the owner-managers are fine craftsmen but they lack efficiency in the management of business affairs of their undertaking. It is unfortunate that government stresses the need of trained artisans for increasing productions but it does not realise the necessity of trained managerial skill is developed in Moradabad. The Small Industries, Service Institute should organise management courses for owner-managers of these industries, who already possess practical knowledge and experience of running the industry. Therefore, the training course should be for short duration because the owner-managers of those firms are not in a position to leave their firms for long.

(g) Some other Problems:

i) Tele-Communication:

There is great handicap on account of communication service between the exporters and foreign buyers. The lack of efficiency of the tele-communications has been causing a

serious loss to our export trades at Moradabad. Unfortunately, the tele-communication service available at Moradabad is lacking to render efficient service for disseminating the informations which are required by the foreign buyers on regular basis.

The existing telephone exchange at Moradabad is outdated and obsolete to render even and efficient service within the country itself. The STD service allowed at Moradabad is linked via Bareilly exchange where only 30 circuits are available out of which 50% remain out of order with the result that the STD calls often do not materialise.

It would not be out of place to mention that even the Telex Service too is short of the expectations of the export trade. Generally, the Telex instruments remain out of order for long period and that the machine go out of order very frequently.

The problem at Moradabad can be overcome with improved tele-communication and telex communications because our exports are being challenged by other competitive countries in the international market. On order to promote export from Moradabad it is advisable that the communications facilities may be improved as early as possible.

ii) Fluctuation in Price Index:

The foreign purchase orders are negotiated between the Indian exporters and the foreign buyers 3 to 4 months in advance from the date of shipment of the merchandise. It implies that the exporters, while negotiating the deal determine the selling price taking into account the price Index of the Minerals and Metals Trading Corporation of India Limited (M.M.T.C.) prevailing at that time.

It is observed that the M.M.T.C. announces price hike abruptly and suddenly owing to which the exporters find themselves in a tight corner for honouring the purchase orders already negotiated.

To overcome this difficulty it is necessary that the M.M.T.C. should be instructed to announce the revision of the price Index each after 4-months period instead of revised the same every month.

iii) Visa:

It has been observed for the last few years that great difficulties are faced by the exporters in obtaining visa from the countries of Europe like Italy, France, West Germany and also from the Gulf countries. Their conservative

attitude towards the exporters is something against the interest of the export promotion.

In case of denying the visa to the exporters, it is impossible to promote the export without contacting the foreign buyer because that the international market be totally captured by the other Asian countries such as Taiwan, Korea, Hong Kong etc. Thus, it is essential that visa should be granted to the exporters to promote their export.

iv) Change in Weekly Rest:

At present the weekly rest to labour and staff employed in industrial units at Moradabad is allowed on Thursday or in some cases on Friday, whereas the Government offices, banks and treasury remains closed on Sunday. In addition general market under Shop Act remains closed on Tuesday.

As a result of the above the production as well as commercial activities of export oriented brass handicrafts industry at Moradabad are disturbed on several days in a week.

Basically, this situation arises because of the power cut imposed on Moradabad Brasware Industry on Thursday and

in some cases on Friday. In case the U.P. Government observes uniform policy of imposing power cut applicable to industrial units on Sunday the above situations may be got rid of.

v) Vayudoot Service:

The lack of the travel facilities create the problem for foreign buyers, who come to Moradabad to buy merchandise. Railway do not provide any air conditioned service between Delhi and Moradabad for the journey by foreigners at convenient timing nor the road tracks between Delhi and Moradabad is good enough, for playing delux coaches. As a result of this the exporters from Moradabad have to go to New Delhi by road with a small lot of samples for negotiating the deal with foreign buyers who stay in city where there are 5 star hotels.

The introduction of Vayudoot service at Moradabad is essential for foreign buyers. As a matter of fact, it is the demand of the foreign buyers to make them available air journey to and from Moradabad.

vi) High Freight Charges:

The export of handicrafts produced by Moradabad Brass Industry has been suffering from the set back caused

by the competition from other Asian countries. Which have been able to sell their merchandise in the international market on cheaper rate by allowance of availing subsidy on freight from their Government. The foreign buyers continue to complain about the higher rate of freight both by sea and air in respect of import made by them from India. The shipping lines as well as air lines do charges higher freight rate from Indian ports owing to some of their specific problems like detention of vessels at Indian ports.

The shipping lines are actively considering further rise in shipping rates at Indian ports by 10%.¹ It is the miserable position for the Indian export trade. The foreign buyers may not accept to pay higher freight rates on Indian goods when they are in a position to buy similar goods from other countries at cost of lesser of freight payment.

so, it would reasonable that in order to boost up export the difference in freight structure should be subsidised by the Government either by direct refund to the exporter or in any other way which may be found feasible.

vii) Change in International price:

Moradabad Brassware Industry produces artistic, decorative, gift articles inclusive of table wares etc. for

1. Information collected by the courtesy of C.L. Gupta & Sons, Moradabad.

performance of added value exports. Since India is not self sufficient in respect of the requirement of non-ferrous metals, the import of the same is permitted under open general licence (O.G.L.).

However, the import duty is charged on the basis leading to serious problems for export trade. Such as the abrupt changes in international price and sudden and frequent hike in rate of import duty upsets the planning in supplying merchandise to foreign buyer because the rate of the duty draw back is not compensated correspondingly.

In view of the above, it would be rational to change the pattern of imposing import duty. The import duty should be levied on weight basis and not on value basis. It would solve the imbalance affecting marketing.

The U.P. State Brassware Corporation Limited, may be authorised to make import of brass sheets/copper sheets of higher quality from foreign in bulk to sell the same in piece meal to manufacturers/exporters at Moradabad to cover their net demand.

Having examined in the foregoing pages, the various problems faced by the industry. The following conclusion may be drawn from the above discussion :

The small manufacturers and artisans face the problem of finance very much. When they approach to bank or financial institution for assistance they are asked to give property guarantee. Such units usually have no property of their own so they fail to avail of the financial assistance. It is necessary on the part of the Government to extend financial assistance to this industry for the growth and production.

Availability of quality raw material at reasonable rates continue to be being problem for small manufacturers. The healthy traders exploit small Kharkhanedar by charging much price of raw material. There is urgent need to establish a recognised channel for regular supply of raw material to small manufacturers at the reasonable price.

The production processes and techniques adopted by the industry at Moradabad are very old, laboured and time consuming there is pressing need to further mechanise and introduce improved technology in processes to increase output and for better finish.

Shortage of power is also an important problem which creates the hurdle in the way of production which adversely effect the export. The interrupted supply of power is essential for smooth functioning of the industry.

In the international market export in brassware has been meeting tough competition from countries like Taiwan, Korea and Pakistan. Most of the planters and functional items are produced cheaper and fast mechanical means in other countries. The worst part is that even amongst Indian exporters there is intense competition. The nature and extent of competitions offered by Taiwan and Korea and to India specially in respect of plain and heavy items, and Pakistan enjoys a price benefit of 10% to 20% in respect of sheet items, plain brass items and a few cast items.

The channel of distribution is - established importers, whole-salers, Departmental stores and other retail outlets.

Lack of advertising is also an important problem which the industry faced at the national and international level. The role of Government is insufficient in this connection.

The artisans manufacturers face the sale tax problem also. The making or dismantling of Bhatti takes very little time and money and therefore, assessment on their basis does not appear to be justified. The sale tax on raw material is 4% while it is merely 1% in adjoining areas. There is also the problem of custom and excise duty. It is felt that exporters are exempted from payment of so much duty to compete the international market.

Brassware Industry at Moradabad also face the managerial problem. It is observed that the owner, managers are fine craftsmen but they lack efficiency in the management of business affairs. So, it is necessary that managerial skill, is developed in Moradabad. The Small Industries Service Institute should organise management course for owner managers of these industries, who already possess practical knowledge and experience of running the industry.

There are some other important problems which create the hurdle in the way of smooth functioning such as, telecommunication which is old and obsolete to render even an efficient service within the country itself. It would not be out of place to mention that when the Telex service too is short of the expectations of the export trade. It is necessary to improve tele-communication and telex-communications to promote the export from Moradabad.

It is observed that Minerals and Metals Trading Corporation announces price hike abruptly and suddenly owing to which the exporters find themselves in a tight corner. It is necessary that M.M.T.C. should be instructed to announce the revision of the price Index after 4 months period instead of every month.

There is also a problem before the exporters in obtaining the visa, with this problem it shall not be possible to promote to export without contacting the foreign buyers and the international market be totally captured by the other Asian countries such as Taiwan, Korea, Hong Kong etc. So, it is essential to granting the visa.

There is a problem of weekly rest which is allowed on Thursday and in some case on Friday while the Government offices remain closed on Sunday as a result of it, the commercial activities disturbed on several days in a week. This situations arise because of power cut imposed on Moradabad Industry on Thursday and Friday. To rid of this situation it is felt that uniform policy of imposing power cut should be applicable to these industrial units on Sunday per week.

With the lack of travel facilities, there is the problem to foreign customers to come Moradabad, so it is essential to introduce Vayudoot service at Moradabad to foreign buyers. Actually, it is the demand of foreign buyers to make them available air journey to and from Moradabad.

There is the problem of higher rate of freight charges both by sea and air to the foreign buyers who import the

goods from India. They may not accept to pay higher freight because they are in a position to buy similar goods from other countries at cost of lesser freight payment. So, it would be reasonable that the difference in freight structure should be subsidised by the Government.

The abrupt charges in international price and sudden hike in rates of import duty upsets the planning in supplying merchandise to foreign buyers because the duty is not compensated correspondingly. So, it would be rational to charge the pattern of imposing import duty.

C H A P T E R - VI

"CONCLUSIONS AND SUGGESTIONS OF THE STUDY"

CONCLUSIONS AND SUGGESTIONS OF THE STUDY

Conclusions :

This concluding chapter has been devoted to draw the main conclusions of the study on the development of brassware industry of Moradabad and to suggestions with reference to specific problems being faced by the industry.

The basic finding of the study is that being labour intensive in nature, this industry at Moradabad not only absorbs thousands of unemployed persons but has also enormous potentialities for fetching the much needed foreign exchange earning for the accelerated economic development of the country.

The brassware industry at Moradabad, being labour intensive and export oriented is an old traditional cottage industry of U.P. famous all over the world for the beauty of its decorative as well as utility items. The brassware industry provides vast employment. This industry has recorded a phenomenal growth during the last few decades.

The production processes are usually carried out in the residential premises. The enterprises engage in the manufacture of brassware throughout the year except the

rainy season. The labour force comprises family workers and hired workers who are paid wages.

A wide range of brassware items are being produced at Moradabad in various shapes and designs. A number of processes involved in the manufacturing brassware are undertaken by individual establishments specialising in each of them. No scientific process is adopted by the industry in respect of the development of new product. The main source of product development appears to be the foreign buyers and local artisans. Moreover, the production techniques adopted by the industry are very old and time consuming. Very few efforts have been made in this direction by the governmental agencies manufacturers and exporters.

Regular and adequate supplies of raw material continue to be an important problem for the industry despite certain efforts which have been made by the government to mitigate this problem. Given the credit facilities, a large portion of small Karkhanedars and artisans continue to purchase raw material from local dealers at exorbitant prices. While the merchant-exporters usually do not face any problem in procuring finance from the banks and other financial institutions in time of need.

The socio-economic conditions of the workers are unsatisfactory. Most of the artisans family members are illiterate. The institution of child labour inflicting illiteracy upon the children as also their exploitation by Karkhanedars need immediate attention of the authorities to introduce child welfare schemes at Moradabad.

Health and medical facilities available to the artisans at Moradabad also appear to be utterly inadequate. The incidents of T.B., asthma, malaria are to be high among the brassware workers.

As a measure of export promotion, the government of India is currently providing 10% financial assistance to the exporters following by custom duty drawback.

The main competitors in the field of export trade of brassware are South Korea, Hong Kong, Taiwan and Pakistan. The articles made by them are produced in mass of modern machines. Raw material at these countries are made available at international prices, which reduce their cost of production. The quality of products offered by these countries is also superior to Indian brasswares.

The industry follows the usual channels of whole salers and retailers for marketing the brassware in different parts

of the country and the world. Among the whole salers, individual export houses, manufacturer exporters, U.P. State Brassware Corporation are prominent while commission agents, local dealders comprise retailers.

Considering the vast export potentialities of brassware industry at Moradabad, the Government of India has developed a fairly strong institutional structure for the export promotion in the country. A series of service organisations like Indian Institute of Foreign Trade, Trade Fair Authority of India, Export Directorate of Development, Director of Drawback and a number of chambers of commerce and industry have been quite instrumental in boosting the export of brassware. Likewise, many export marketing organisations such as Minerals and Metals Trading Corporation, State Export Corporation have also contributed a lot in stepping up the exports of brassware in the international market.

Suggestions:

The following suggestions are put forth:-

- 1) It appears from the study that the majority of industrial community at Moradabad suffers from the lack of finance. So, the credit facilities on easy instalment should be

extended to the artisans to facilitate buying of raw material and marketing of finished goods on his own. This would go a long way in eliminating the dealer, financier and middlemen who dominate the industry. The State Government as well as the local banking institutions should relax conditions of issue of credit to the artisans. The lead bank of the district should be entrusted with the responsibility to survey industry and the artisans engaged there in with a view to assist their entrepreneurial attitude. Those willing to setup their independent enterprises should be provided with adequate loans at easy and cheap terms.

2) The dealers and exporters should be encouraged to set up some big units covering the brassware manufacturing as a whole. For this purpose the State Finance Corporation or a similar agency should provide adequate finance facilities.

3) Inadequate supply of raw material need to be organised so as to ensure adequate and timely availability at reasonable prices. In order to overcome the problem of raw material supply to small Karkhanedar and artisans the State Government should either set up a separate organisation exclusively responsible for procurement and regular supply of raw material to the small Karkhanedars.

4) With a view to increase the production it is desirable to upgrade the traditional production techniques and process which would not only strengthen the competitive position of the industry abroad but would also help in improving the existing living conditions of the artisans at Moradabad. The State Government should set up a process development and training centre at Moradabad, which would experiment and develop the new production techniques and process and train the artisans in the new process and techniques so developed.

5) For the sizeable export of brasswares and the ability of industry to withstand competition in foreign markets, it is highly desirable to accelerate the design development activities by establishing a well equipped design extension centre at Moradabad.

6) The significance of quality control of maintaining the existing foreign markets as well as for capturing the new ones, it is imperative on the part of the State to cover the industry under the quality making scheme. The quality making centre of the U.P. Government should be upgraded with additional staff and testing facilities for controlling the quality of brasswares manufactured for exports.

7) It is observed that the unhealthy and unsound conditions in which the workers live mostly the artisans at Moradabad, affect their working and expose them to many tensions including hazard to health, absence of social security. It is suggested that the State Government should adopt suitable social security and healthy measures in work houses which don't come under the purview of factories Act. The new labour welfare centres should be located at a place where the artisans are centred, and should have dispensary, maternity and child welfare section, and adult education facilities and also young children should rather be encouraged to get education at the welfare centre.

8) For enabling the exporters and manufacturers of brasswares at Moradabad to offer their quality goods at competitive prices in the international markets. The U.P. Government may consider the abolition of sales tax on brass scrape purchased from outside the State for manufacturing the brasswares to be exported to the foreign countries at competitive prices.

9) There is a little publicity for brasswares abroad excepting through official channels. The brassware manufacturers association should be enabled to launch an advertising-cum-exhibition campaign abroad on collective basis.

10) It is also suggested that an export information centre, equipped with commercial directories, magazines and periodicals should be open at Moradabad for continuous reference to the trade.

If it is done, a new enthusiastic force of entrepreneurs will develop, which will flourish the industry on sound lines. Finding out suitable solutions to the problems being faced by it and making it fully able to meet the challenges ahead.

In sum, for the future development of the industry -

- 1) Raw material will have to be arranged at international prices.
- 2) Items should have to be introduced that are aimed at mass consumption with adequate aesthetic appeal without losing the fundamental of art which represents the country.
- 3) The product development vis-avis technological improvement is a must. This does not necessarily mean displacement of labour but with the higher targets of production. This would mean supplementing the human efforts.
- 4) Providing better electroplating and lacquering facilities, giving colour effect, where improvements

could do a lot to give new dimensions and appeal to the product.

- 5) In the marketing field, efforts have to be made to contact while salers or even provide direct retail outlets to augment the volume on exports and thus foreign exchange earning.
 - 6) Give larger publicity thereby generating demand.
 - 7) Avoid internal competitions.
 - 8) To some extent have direct control over production.
 - 9) Completion of export formalities at a single point.
 - 10) To provide better living and working conditions to the artisans and workers.
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B I B L I O G R A P H Y

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A P P E N D I X - A

Some of the important Manufacturers/Exporters of
Brassware Industry of Moradabad :-

S.NO.	NAME OF FIRMS	PLACE
1.	M/s Abul Hasan & Sons,	Baradari, Moradabad.
2.	M/s Allied International Enterprises,	Mahbullah Ganj, Moradabad.
3.	M/s Akbar Brass Product,	Qayyum House, Deputy Ganj, Moradabad.
4.	M/s Ajanta Arts,	Chauraha Gali, Moradabad.
5.	M/s Amar Nath & Sons,	Mandi Bans, Moradabad.
6.	M/s Appolo Trade Links,	Rampur Road, Moradabad.
7.	M/s Abid & Sons,	Nai Sarak, Moradabad.
8.	M/s Abdul Majid Abdul Rasheed,	Naseem Manzil, Nai Basti, (Shop - Amroha Gate), Moradabad.
9.	M/s Alisons Export Co.,	Jhabboo Chawk, Moradabad.
10.	M/s Ahmad Brass Corporation,	Galshaheed, Purana Barafkhana, Moradabad.

11. M/s ATOZ, Galshaheed, Nai Abadi,
Moradabad.
12. M/s Alam Brothers
Exporting Corporation, Sir Yaqoob Road, Peerghaib,
Moradabad.
13. M/s Ashu Exports, Gandhi Nagar, Moradabad.
14. M/s Azim & Company, Tobacco Street, Moradabad.
15. M/s Ahmed Sons, Rafi House, Galshaheed,
Moradabad.
16. M/s Bedi Metal Industries, Court Road, Moradabad.
17. M/s Bhatia Overseas Exports, Galshaheed, Moradabad.
18. M/s Brass Corporation of
India, 36/D-21, Bara Shah Safa,
Moradabad.
19. M/s Cosmic Art Products, Peerghaib, Moradabad.
20. M/s C.L. Talwar & Sons(P) Ltd., Delhi Road, Majhola,
Moradabad.
21. M/s Citizen Exports, Idgah Road, Moradabad.
22. M/s Combined Exports, Rampur Road, Moradabad.
23. M/s C.L. Gupta & Sons, Rampura Road, Moradabad.
24. M/s Cottage Art Emporium, Prince Road,
Opp: Ansar Inter College,
Moradabad.

25. M/s Dauji Exports, Rampura Road, Moradabad.
26. M/s Duggal & Sons, Kothiwal Nagar, Moradabad.
27. M/s Diamond Industrial Corp., Sambhali Gate, P.B. No.223, Moradabad.
28. M/s Diwan & Sons, Kothiwal Nagar, P.B.No.151, Moradabad.
29. M/s Daulat Ram & Sons, 71/A, Prince Road, Harpal Nagar, P.B.No.282, Moradabad.
30. M/s Everesto, Ali Manzil, Civil Lines, C/o Shri S.A. Chaudhri, Moradabad,
31. M/s Emyoo Products, Bhatti Street, Moradabad.
32. M/s Eastern Novelties Corp., Bhatti Street, Moradabad.
33. M/s Export House, Chaumukhapul, P.B. No.40, Moradabad.
34. M/s Evergreen International, Prince Road, Moradabad.
35. M/s E.M.C. International, Thatera Street, Moradabad.
36. M/s F.A.R. Brass Products, Prince Road, P.B.No.149, Moradabad.
37. M/s Fazalsons Handicrafts, Peerzada, Hayatnagar, P.B.No.461, Moradabad.

38. M/s Globe Metal Industries, Kothiwal Nagar, Moradabad.
39. M/s Gulati Exports, Akhilesh Chawk, Station Rd., Moradabad.
40. M/s Globe Exports, C-96, Gandhi Nagar, Moradabad.
41. M/s Gulab Brass, Quasi Tota, Moradabad.
42. M/s Goel Art Emporium, A-42, Gandhi Nagar, Moradabad.
43. M/s Hajisons, Khokaran Street, Moradabad.
44. M/s Haji Abdul Ahad
Abdul Rahman, Bhatti Street, Moradabad.
45. M/s Haq Brothers, Bhatti Street, Moradabad.
46. M/s Haji Kallan & Sons, Bara Shahsafa, Moradabad.
47. M/s Intra Deco Corporation, Deputy Ganj, Moradabad.
48. M/s Interseas Traders, Bara Shahsafa, Moradabad.
49. M/s Indian Art Industries, Nawabpura, Moradabad.
50. M/s J.P. International,
rr Chauraha Gali, Moradabad.
51. M/s Jansons & Company, Galshaheed Road, Moradabad.

52. M/s J.K. Exports, Katarshaheed, Indira Chawk, Moradabad.
53. M/s Kala Bhawan, Civil Lines, Moradabad.
54. M/s Kamil Bhai Ismail ji, Thatera Street, Moradabad.
55. M/s Kumud Art Industries, Lohagarh, Moradabad.
56. M/s K.K. Gupta Associates, Mufti Tola, Behind Moradabad Inter College, Moradabad.
57. M/s Kailash Exports, 22-Adarsh Nagar, Idgah Road, Moradabad.
58. M/s Lecra Trading Corpn., Opp: State Bank, Katghar, Barwalan, Moradabad.
59. M/s Mysore Electroplating works, Galshaheed Road, Moradabad.
60. M/s Metal Products of India, Prince Road, P.B. No.49, Moradabad.
61. M/s Multiple Exports, Raj Raj Bhawan, Kothiwal Nagar, Moradabad.
62. M/s Novalty Trading Corpn., Bhatti Street, P.B.No.340, Moradabad.
63. M/s Nadeem International, Near Ansar Inter College, Prince Road, Moradabad.

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| 64. M/s New Radiant Brass
Artware, | Kisraul, P.B. No. 144,
Moradabad. |
| 65. M/s New Indo Foreign Traders
Corporation, | Naseem Manzil, Nai Basti,
Moradabad. |
| 66. M/s Overseas Handicrafts, | New Civil Lines, P.B.No.308,
Moradabad. |
| 67. M/s Overseas Exports, | New Civil Lines, P.B.No.136,
Moradabad. |
| 68. M/s Pioneer Arts India, | Prince Road, Moradabad. |
| 69. M/s Paramount Trading Corpn., | Tavela Street, Moradabad. |
| 70. M/s Paramount Products(P)Ltd., | Qazi Tola, Near Itwar-ka-
Bazar, P.B.No. 233,
Moradabad. |
| 71. M/s Puri Trading Corpn., | Galshaheed Road, Moradabad. |
| 72. M/s Paramount Exports(P) Ltd., | Mohd. Ali Road, Moradabad. |
| 73. M/s Premier Exterprises, | 63-Nai Sarak, P.B.No. 131,
Moradabad. |
| 74. M/s Progressive Trade Links, | Lal Bagh, P.B.No. 376,
Moradabad. |
| 75. M/s Ruby Brass Industries, | Nai Basti, Moradabad. |
| 76. M/s Raj Kamal Electroplaters, | Chaurahagali, Rampur Road,
Moradabad. |

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| 77. M/s Stalwart Electroplating Works, | Idgah Road, Moradabad. |
| 78. M/s Shamson Enterprises, | Shamshad Manzil, Frince Road, Moradabad. |
| 79. M/s Shaheen Art Industries, | Thatera Street, Moradabad. |
| 80. M/s Spark Enterprises, | Baradari, Moradabad. |
| 81. M/s Sun Rise Handicrafts, | Near Makhan Shah ki Zarat, Kistrail, Moradabad. |
| 82. M/s Stalwart International, | Rampur Road, Moradabad. |
| 83. M/s Sun International Traders, | Malviya Nagar, Behind Kashipur Bus Stand, Moradabad. |
| 84. M/s Talwar & Khuller, | Rampur Road, Moradabad. |
| 85. M/s Talwar Trading Co., | Kothiwal Nagar, Moradabad. |
| 86. M/s Taj Metal Handicrafts, | Tobacco Street, Moradabad. |
| 87. M/s VORKA Exporters(P) Ltd., | Balwala - Katghar, Moradabad. |
| 88. M/s Vinod International Products, | 22/C-11, Ballam Street, Moradabad. |
| 89. M/s Vali Brothers, | Tehsil School, Moradabad. |
| 90. M/s Wazir Chand & Sons, | Kothiwal Nagar, Moradabad. |

91. M/s Wajid Sons Handicrafts, Prince Road, P.B.No. 79,
Moradabad.
92. M/s Waris Sons & Company, Waris Manzil, Tavela St.,
Moradabad.
93. M/s Wajid Sons Exports(P) Ltd., Prince Road, Moradabad.
94. M/s Meridian Exports, Shidi Sarai, Hadi Road,
Moradabad.
95. M/s G.D. Exports, Saluja Niwas, Civil Lines,
Moradabad.
96. M/s Gift International, 223-A, Lajpatnagar,
Moradabad.
97. M/s Super Enterprises, Mughalpura Sawqa I,
House No.52-F/F-20,
Moradabad.
98. M/s Ever Best Handicrafts, Faizganj East, Opp.Chairwali,
Masjid, Moradabad.
99. M/s New Crafts Exports, Faizganj East, PB No.421,
Moradabad.
100. M/s Indian International, Galshaheed, Moradabad.
101. M/s Ajanta Handicrafts, 126/D-21 Bagh Bahadur Ganj,
Moradabad.

102. M/s Zuroof International,
Moradabad.

Darul Hameed, Bara Shah safai,
Moradabad.

103. M/s Saleem Artistic Brass
Products,

259-A, Nai Basti, Gali
Maniharan, Moradabad.

104. M/s R.D. Overseas,

Mufti Total, Moradabad.

A P P E N D I X - BQuestionnaire:

1. Name and address of your unit :-
2. Year of establishment :-
3. Which type of business you run :-
 - a) Proprietorship
 - b) Partnership
 - c) Private company
4. Where is the location of your plant :-
 - a) In congested market
 - b) Near the market
 - c) Near the source of personnel
 - d) Near the supply of raw material
5. What qualification you possess :-
 - a) Graduate
 - b) Non-graduate
 - c) Professional qualification
 - d) Technical qualification
6. What experience you possess in business :-
 - a) Year of experience in general
 - b) Year of experience in the line of business
 - c) No experience
7. Do you have any difficulty in getting raw material ?

Yes ()

No ()

8. Is the raw material easily available ?
Yes () No ()
9. Is there any effect of non-availability of raw material on your productivity ?
Yes () No ()
10. How you control the raw material :-
a) Through effective purchasing
b) Scientific storing
c) Economic consumption
d) No
11. Do you have any labour problem ?
Yes () No ()
12. Do you have operational problem on account of breakdown electricity or lack of technical skill ?
13. Do you feel that the production of such type of goods require highly trained and qualified persons ?
14. What wage system you adopt in production :-
a) Piece rate system
b) Monthly wage system
c) Weekly wage system
15. Do you give bonus or other incentives to your workers ?
16. What is the rate of overtime of workers in your unit :-
a) Below the daily wages
b) Equal to daily wages
c) More than daily wages

17. Do you manage your firm in a traditional way or you follow the basic principles of management in order to improve the efficiency of working force and improving the quality of products ?
18. Which financial institution provide finance to you :-
- a) Commercial bank
 - b) IDBI
 - c) EXIM Bank
 - d) Private source
19. Is the period of credit satisfactory :-
- Yes () No ()
20. What type of security is insisted upon :-
- a) Hypothecation
 - b) Bank guarantee
 - c) Pledge
 - d) Any other
21. State the other problems involved in bank credit :-
- a) High interest
 - b) Too many formalities
 - c) Delay in sanctioning credit
 - d) Any other
22. What type of brass goods you produce :-
- a) Decorative

- b) House hold purposes
 - c) Miscellaneous
23. What is the basis for designing your products :-
- a) Indegeneous designs
 - b) Imported designs
 - c) As per the instructions of the buyer
 - d) Any other
24. Who are your buyers abroad :-
- a) Private
 - b) Government
 - c) Departmental stores
 - d) Defence department
25. Which type of competition do you face :-
- a) Price competition
 - b) Quality competition
 - c) Packing competition
 - d) Any other
26. Is the quality of your products competitive in the world market ?
- Yes () No ()
27. Do you receive any facility provided by the Government in the form of subsidies or duties imposed on imported materials ?

28. Is government policies are favourable for the development of brassware industry ?

Yes ()

No ()

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A P P E N D I X - CBRIEF HISTORY OF MORADABAD

Moradabad city, approximately 160 kms east of Delhi, was established by Subedar Rustom Khan during the reign of the Moghal Emperor Shahjahan. The city was named after Shahjahan's third son Murad. It has remained famous since then for handicrafts.

"The total geographical area of the district is 5,9671 square km. Its climate is of the extreme kind very hot in summer and very cold in winter. The average rainfall is between 417 and 1135 mm."¹

The population of Moradabad district, according to 1981 census, was 31.9 lakhs, it has gone up to 38 lakhs now. Nearly 15 lakhs people live in urban areas while the rural population is about 23 lakhs. More than 50,000 people come every day from the neighbouring areas to work in various traditional handicrafts and brassware units.

"The literacy rate of Moradabad is far from satisfactory. It was just 17.13% in 1971. By now the male literacy rate has gone up to 19.42% as compared to female literacy rate of only 10.33%. This is lower than even the average female literacy rate in Utter Pradesh."²

1. The Hindustan Times, New Delhi, 17 June, 1989, p.5

2. Ibid.

The per capita income of Moradabad is one of the highest in Uttar Pradesh. The per day income of craftsmen could be some where between Rs. 50 to Rs. 80. Most of the work in this industry are carried out on contract basis.

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